



Australian United Investment Company Limited

16 October 2024

ASX Announcement

2024 Annual General Meeting (AGM) Chairman's Address and Presentation

In accordance with the ASX Listing Rules, attached for release to the market is the Chairman's Address and presentation slides which will be delivered to shareholders today at the Company's 2024 AGM.

Authorised for release by James Pollard, Company Secretary.



Australian United Investment Company Limited

Chairman's Address

Delivered by Mr Charles Goode at the 70th Annual General Meeting of the Company, held at 171 Collins Street, Melbourne and by audio webcast on Wednesday 16th October 2024 at 11.00am.

AUI's investment objectives are:

- To maintain the company's diversified investment portfolio with a view of providing long-term capital and income appreciation,
- To appropriately manage risks and identify market opportunities as they arise, and
- To focus on after-tax returns and provide sustainable dividend income to our shareholders.

Our investment preference is toward Quality companies – those with capable management, strong long-term prospects within their industry and that have a proven dividend paying record.

This investment strategy has proven itself over time, with the portfolio outperforming the index over the long-term. We will continue with this strategy – to look through short-term market volatility and to remain invested in resilient Quality companies.

For the financial year ended 30 June 2024, the Company's operating profit after income tax was \$49.1 million, a decrease of 13% on the previous year. If special dividends in both periods are excluded, profit decreased 13% to \$47.8 million. Revenues received during the year were lower, primarily due to lower dividends from BHP, Rio Tinto and Woodside as a result of softer commodity prices.

A fully franked final dividend of 28 cents per share was paid in September comprising an ordinary dividend of 20 cents per share plus a special dividend of 8 cents per share.

The special dividend is sourced from prior years' retained earnings which mainly comprise special dividends received over a number of years by the Company from its investments. The Directors consider, in the absence of unforeseen circumstances, that the Company has a sufficient franking account balance and profit reserves to support a special dividend of 8 cents per share for each of the next five years.

Together with the interim dividend of 17 cents per share, total dividends declared for the year are 45 cents per share fully franked. AUI has a long history of paying reliable fully franked dividends and has maintained or increased its dividends paid per share every year since 1994.

AUI's operating expenses (excluding borrowing costs) were equivalent to 0.10% of the average market value of the portfolio, unchanged from last year. Bank borrowing facilities were \$175 million, drawn as to \$77 million at the end of the financial year.

The composition of the portfolio by sector at 30 September is as shown in the slides. The diversified portfolio comprises 35 Australian companies across multiple sectors. A full list of the Company's investments at 30 June 2024 can be found at the end of the Annual Report.

Our largest acquisitions and disposals during the previous financial year are as shown in the slide.

Since the end of the financial year, we have:

- Increased our holdings in Pilbara, Woodside and NextDC, and
- Reduced our holdings in Ramsay and the big four banks.

The performance of an investment in AUI based on net asset backing per share, and separately on share price, assuming all dividends were re-invested, compared to the S&P/ASX 200 Accumulation Index in each of the past one, three, five and ten year periods is as shown on the slides.

For the year ended 30 June 2024 the Net Tangible Asset Accumulation for the Company increased by 14.2%, outperforming the ASX200 Accumulation index by 2.1%. relative performance for the year was assisted by overweight allocations to Carsales, Wesfarmers and Origin. Performance was held back by overweight holdings in Transurban, Woodside and Ramsay, and an underweight allocation to NAB.

As part of our ongoing investment management, the Board regularly meets with management of companies in which we invest. During the 2024 financial year, the Board held management meetings:

- three times with one company,
- twice with nine companies, and
- once with seven companies.

Since 30 June, we have held an additional 14 meetings with investee companies.

Outlook

The Australian economy is slowing with poor productivity, inflation is moderating and the next move in interest rates seems to be a reduction in the next calendar year.

The Commonwealth and State Governments will be facing expenditure issues with demands for increased expenditure on health and social services, defence, and infrastructure.

The international scene continues to have many uncertainties with geopolitical issues, a troubled Chinese economy, and stagnated European activity.

The Australian share market is near an all-time high with certain sectors such as banks, large leading companies, and growth companies seeming to be at least fully valued. We are also experiencing lower commodity prices.

We are therefore cautious on the outlook for the share market in the year ahead. We have over recent years had modest borrowings of around 10% of the market capitalisation of our portfolio and over the last year have reduced this to around 3%.

We are working on the assumption that the share market may be little changed at the end of the current financial year. We anticipate paying a steady normal dividend together with an eight-cent special dividend as in the previous year.

Charles Goode
Chairman



Australian United Investment Company Limited

2024 Annual General Meeting

Disclaimer

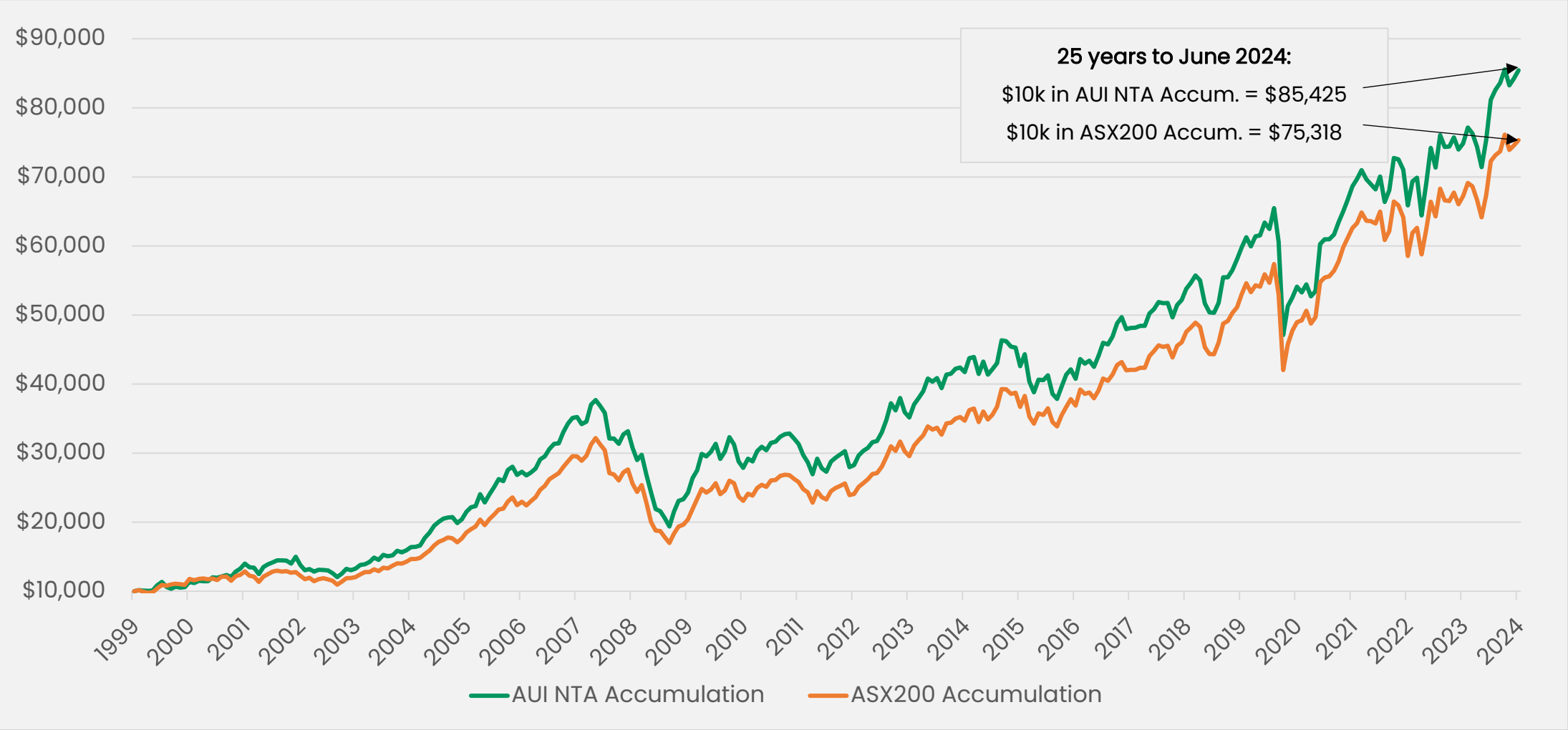
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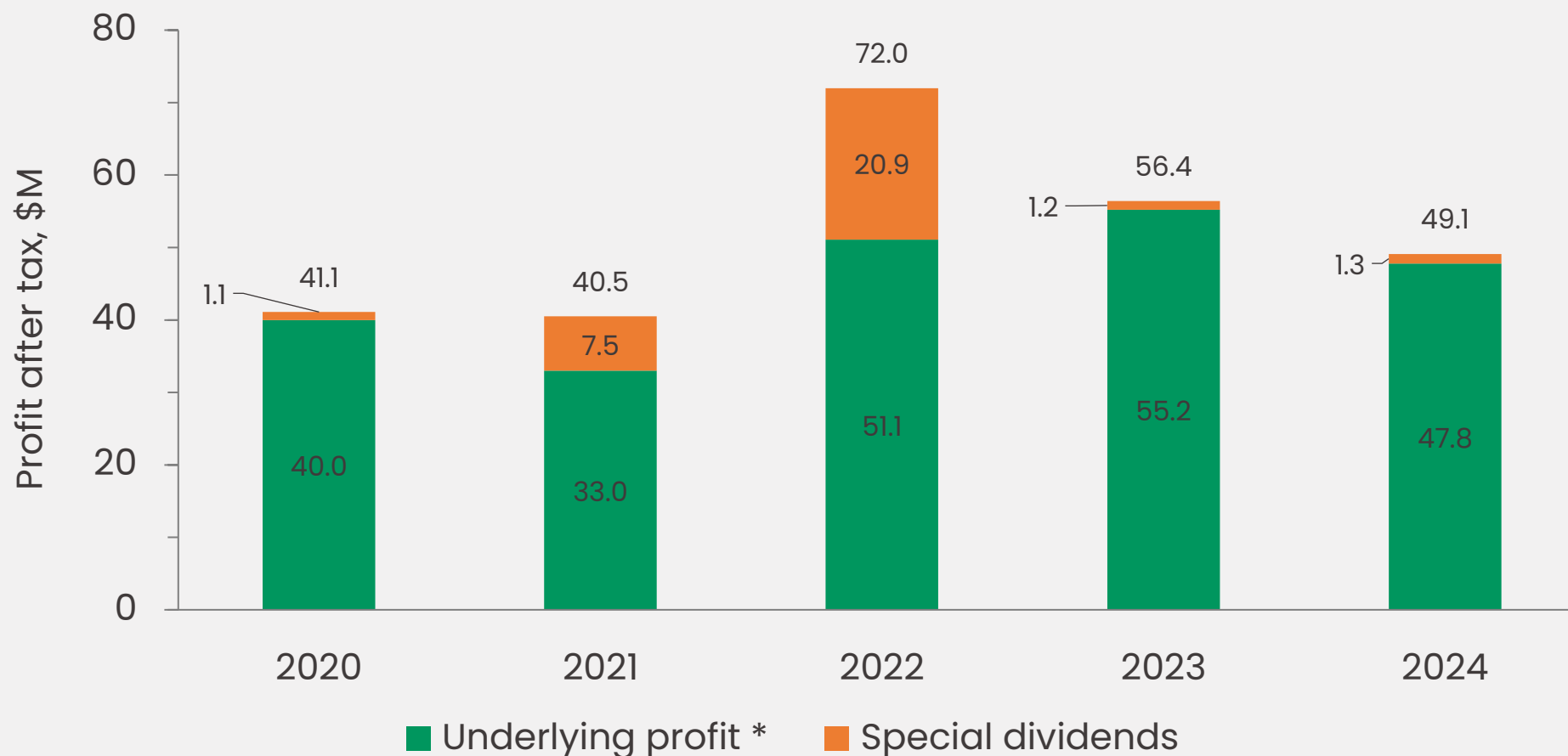
Investment Objectives

- To create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX, with a medium to long term view of providing capital and income appreciation;
- To manage the portfolio to monitor and reduce risks and identify market opportunities as they arise; and
- To focus on after-tax returns and to provide dividend income for shareholders which is sustainable over the long-term, maintaining full franking when possible.

Strong Long-term Performance

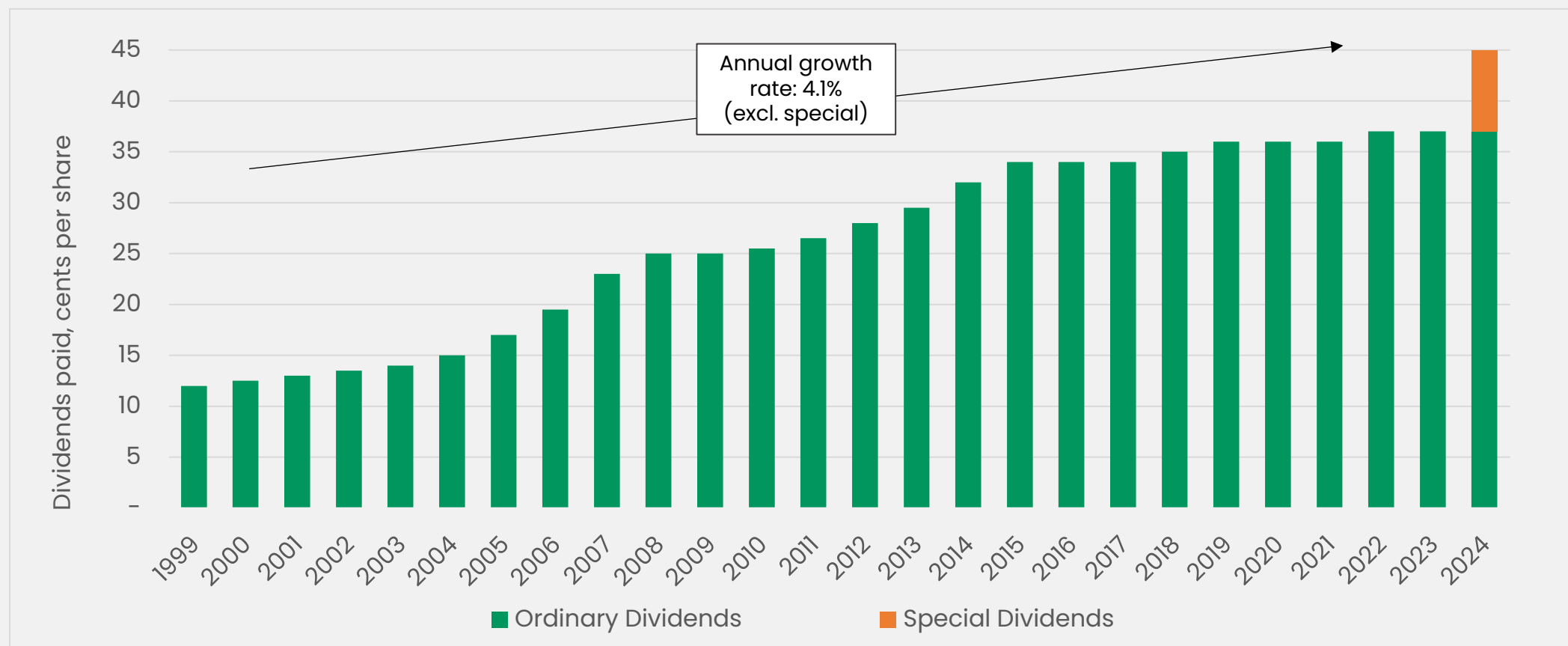


Profit after tax



* Statutory profit less special dividends.

Dividends Paid



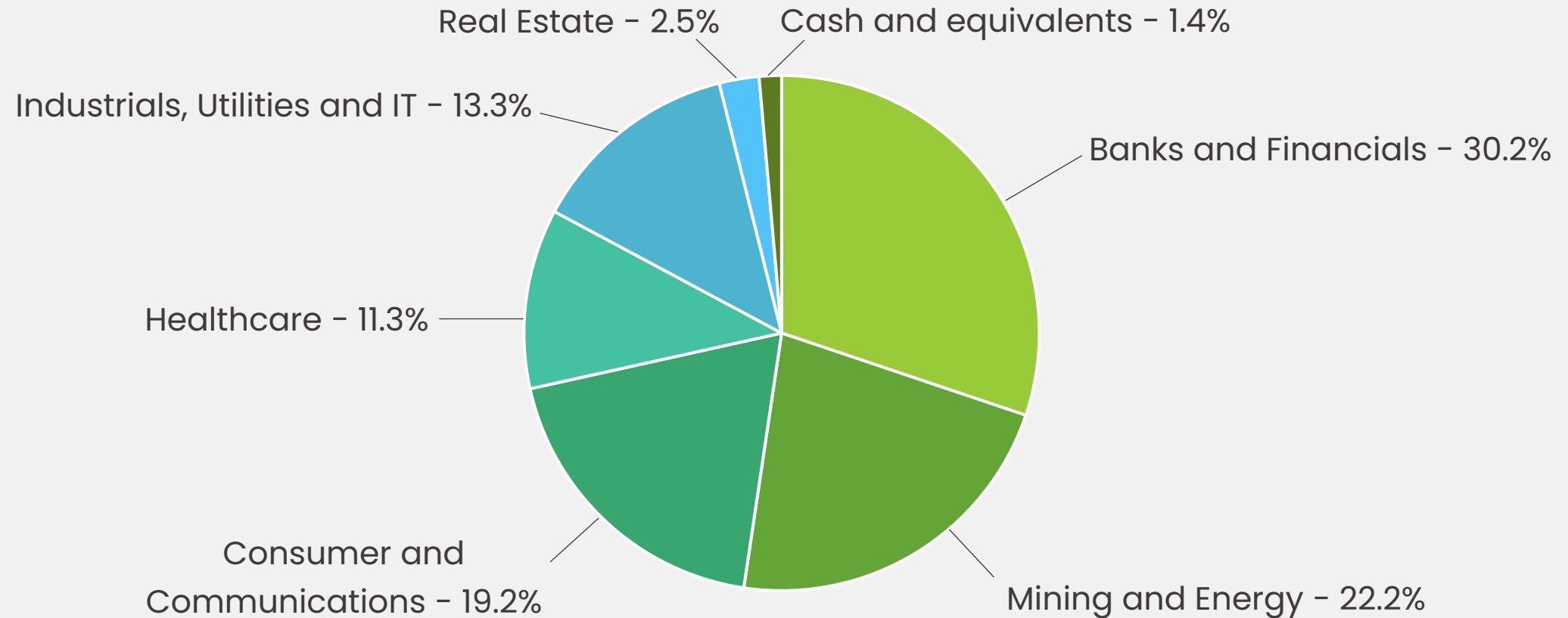
As announced on 15 August 2024, AUI intends (subject to unforeseen circumstances) to declare an annual special dividend of eight cents per share in each of the next five years.

At 30 June 2024

	FY24	FY23
Operating expenses	0.10%	0.10%
Bank borrowing facilities	\$175M	\$195M
Bank borrowings drawn	\$77M	\$86M
Net debt / portfolio ex-cash	3.6%	5.3%

Sector Allocations

As at 30 September 2024



Portfolio Transactions

During the year to 30 June 2024

Largest acquisitions:

New investments in Brickworks,
Newmont

Addition to holdings in Resmed,
NextDC, Origin Energy

Largest disposals:

Sale of holdings in Reece, Goodman
Group, James Hardie

Full disposal of Link via Scheme of
Arrangement

Reduction of holding in Ramsay
Health Care

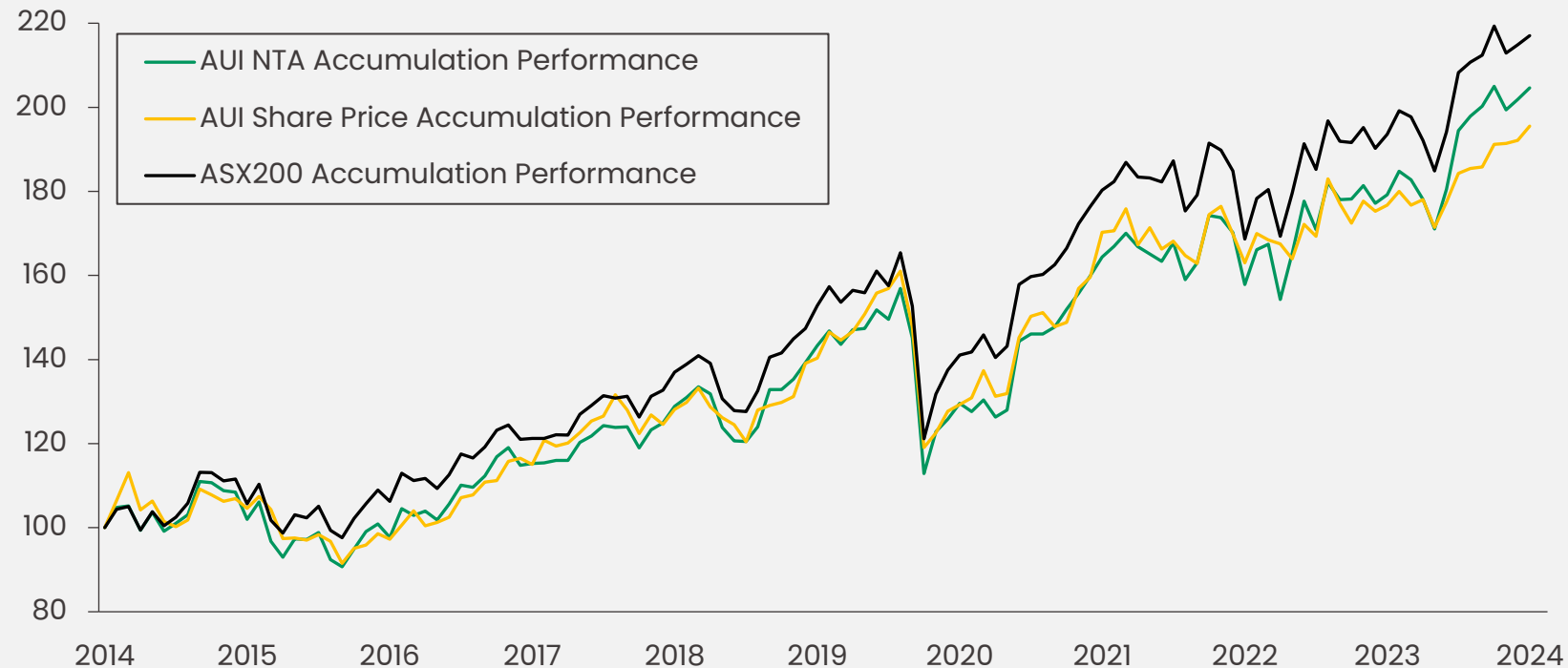
Transactions since 30 June 2024

Addition to holdings in Pilbara, Woodside, NextDC

Reduction of holdings in Ramsay Health Care, Banks

NTA Accumulation Performance

10 years to 30 June 2024



	1 year	3 years	5 years	10 years
AUI NTA Accum. % p.a.	14.2	7.6	7.4	7.4
AUI Share price Accum. % p.a.	10.6	4.7	6.9	6.9
S&P/ASX200 Accum. Index % p.a.	12.1	6.4	7.3	8.1

Source: Evans and Partners



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2024 Annual General Meeting

Resolution 2

Remuneration Report

That the Remuneration Report that forms part of the Directors' Report for the Company for the financial year ended 30 June 2024 be adopted.

Proxy votes received prior to the meeting are as follows:

For	Open	Against	Abstain
73,641,917	496,418	418,773	108,424
98.8%	0.6%	0.6%	

Resolution 3

Re-election of Mr Charles Goode

That Mr Charles Goode, a Director retiring from office by rotation in accordance with clause 65 of the Constitution, being eligible, is re-elected as a Director of the Company.

Proxy votes received prior to the meeting are as follows:

For	Open	Against	Abstain
73,857,685	721,184	110,652	5,300
98.9%	1.0%	0.1%	

Resolution 4

Increase in Non-Executive Directors’ fee limit

That, for the purposes of Clause 68.1 of the Constitution and Listing Rule 10.17, the maximum amount that may be paid to Directors as a whole in respect of their services in any year is increased from \$600,000 to \$800,000.

Proxy votes received prior to the meeting are as follows:

For	Open	Against	Abstain
73,416,840	496,418	671,764	80,510
98.4%	0.7%	0.9%	



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